

## **SANCTIONS AND THE TARGETING OF A POPULATION: THE CONTINUATION OF THE KOREAN WAR BY OTHER MEANS AND ITS IMPACT ON ORDINARY NORTH KOREANS**

Felix Abt\*

*“What parasitic worms in defector reveal about conditions in North Korea”*

This was the headline of a [CNN](#) report on a North Korean soldier who changed sides in November 2017, eight months after South Korea [quadrupled](#) the reward fee for North Korean defectors and increased it up to USD 860,000. While running across the DMZ to South Korea the defector was shot several times by his former comrades. He was then taken to a hospital for treatment where doctors discovered a substantial amount of parasitic worms in his body which triggered international headlines.

To hype up the story CNN quoted another North Korean defector and former army officer Kang Ri Hyuk who deserted 4 years earlier as follows: "Everyone was hungry, even the soldiers," he said. "The UN is sending rice and fertilizer and it all goes to the ranking officials under (North Korean leader) Kim Jong Un. There are many soldiers who also die from disease because they're not given medical treatment."

In the same year Kang Ri Hyuk deserted the U.N. Food and Agricultural Organization (FAO) which has had a representation in North Korea for more than a decade, issued a [report](#) stating that “the precarious foreign exchange situation combined with international restrictions on trade has not allowed adequate commercial imports of much needed agricultural inputs such as fertilizer, pesticides,...” and “over the years, domestic production of fertilizer has declined to a level of about 10 percent of total requirement, increasing dependence on imported fertilizer and reducing its overall use.”

Though it's often portrayed as a typical North Korean practice, up to [200 million](#) farmers across the globe use human waste - which until a few years ago included South Korean farmers as well. Since I knew that human fertilizer on crops can potentially lead to the transmission of worms, I started producing Mebendazole, a medication to treat worm infestations in adults and children, when I was running, PyongSu, North Korea's first foreign-invested pharmaceutical joint venture company.

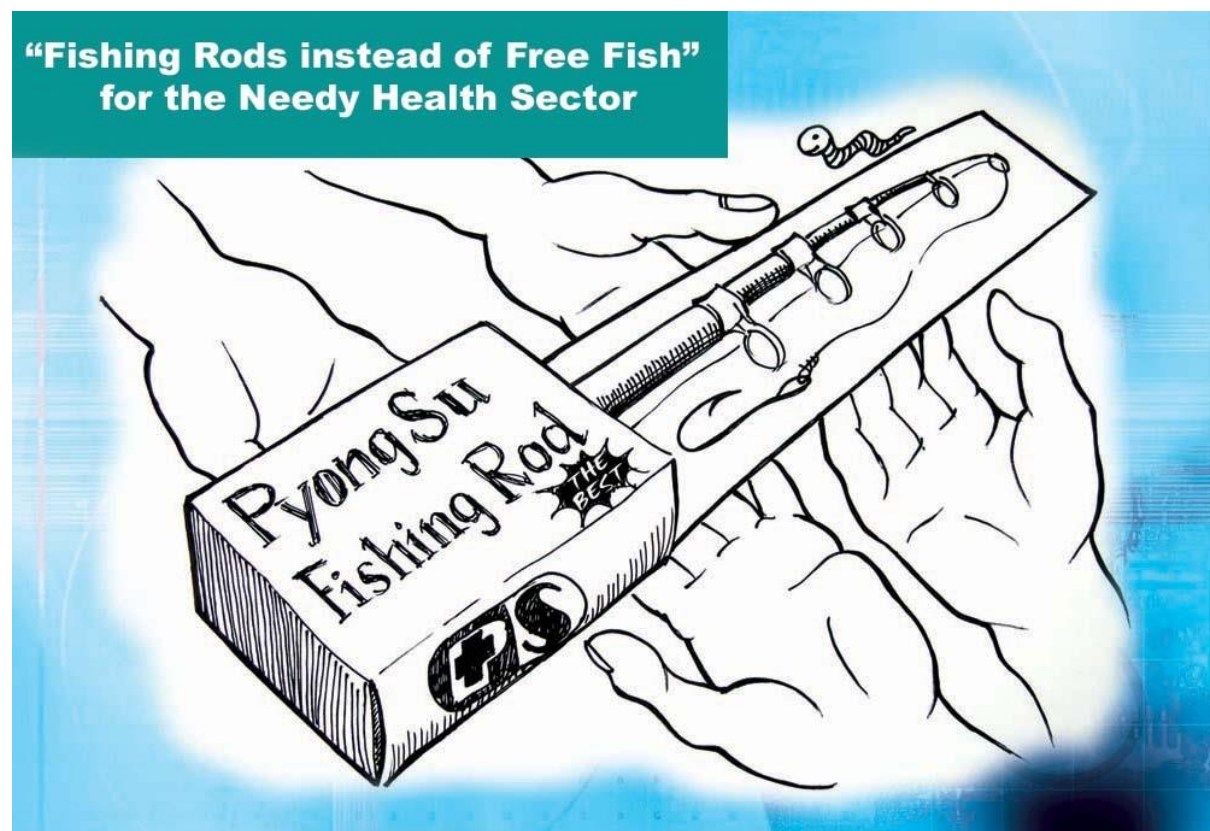


*Mebendazole, a product on World Health Organisation (WHO) essential drugs list, produced by us on WHO's behalf. (Image credit: Felix Abt)*

As I mentioned in my book “A Capitalist in North Korea: My Seven Years in the Hermit Kingdom”, despite being competitors we also shared our management and production know-how with other pharmaceutical factories in the country to contribute to a more efficient fight against disease across the country. North Korea had then

over two dozen smaller and larger pharmaceutical factories, about half of them operating under the Ministry of Public Health. As we were the first pharmaceutical company to achieve WHO recognition as fully compliant with its Good Manufacturing Practices (GMP) the cabinet (council of ministers presided over by the Prime Minister) declared our company then as one of North Korea's five best joint ventures and the model company for the entire upcoming pharmaceutical industry. Shortly thereafter I signed the first two contracts with the WHO for the production of Mebendazole for distribution to hospitals across the country and I expected regular repeat orders. One of my talking points to convince the WHO to support my venture was that donors could get more pharmaceuticals with the given budget if they were purchased from a local producer instead of being imported. I also emphasized that local procurement would contribute to the buildup of a domestic quality medicine industry and create jobs while reducing foreign dependence and vulnerabilities.

Despite stringent economic sanctions living standards were then steadily increasing, but I nevertheless noticed hardly any demand for this product in pharmacies as patients and even prescribers of drugs seemed not to be aware of the fact that they could carry worms. The endemic nature of the disease made it a public health issue which needed to be addressed correspondingly, that is in the way the WHO tried to do it, namely by training health officials and doctors and putting the right therapies at their disposal. The WHO's main donor was South Korea's Ministry of Reunification. When its conservative government severed ties with the North it also axed the funding for the WHO which forced me to stop the manufacturing of anti-helminthic (worm) drugs.



*Training North Koreans to produce quality medicine at affordable prices for more patients instead of importing more expensive pharmaceuticals for fewer patients was on top of our agenda. (Illustration credit: Felix Abt)*



I also tried to convince other donors such as the International Federation of Red Cross and Red Crescent Societies (IFRC) to substitute imported drugs by locally made ones. IFRC agreed to invite producers from Europe and Asia to offer products based on their tenders which included antibiotics and painkillers. Since we offered these products at more competitive prices we were able to win its contracts.



*Felix Abt and O Son Gun, his North Korean deputy CEO, handing the first large order of pharmaceutical kits, containing antibiotics and painkillers for adults and kids, won in a competition against pharmaceutical manufacturers in Asia and Europe, to representatives of the IFRC (Intl. Federation of Red Cross and Red Crescent Societies). (Image credit: Felix Abt)*

The Korean War was halted with an armistice in 1953 rather than terminated with a peace treaty - and today it continues to be fought by other less direct means. The rising geopolitical tensions and more and more weaponized sanctions including serious obstacles for foreign businesses and NGOs to operate in the country (e.g. financial sanctions making money transfers into and out of the country impossible) led to a noticeable donor fatigue: Instead of maintaining or even increasing budgets to purchase the amount of drugs necessary to minimize important diseases from worm infestations to respiratory tract infections to tuberculosis and malaria the procurement budgets were slashed.

Manufacturers of pharmaceuticals and foodstuff items in North Korea which all depend on the import of unavoidable items such as laboratory equipment and consumables (to identify and fix contaminations in the production and the end products) were not able to uphold the newly achieved “good manufacturing practices” (GMP) when these items were also banned by sanctions. Subsequent sanction rounds banned ever more products.

But even items that were not yet banned in the mid-2000s such as a power back-up system or a multi-stage water purification system which nobody produced in North Korea and which we needed to import in order to make our factory fully compliant with international Good Manufacturing Practices (GMP) as defined by the WHO could not be purchased directly from foreign suppliers. The demonization of North Korea and the threat of being sanctioned post-festum at some point frightened foreign suppliers, including Chinese ones, to sell equipment to a North Korean pharmaceutical factory.



*As foreign suppliers refused to sell us the components of this multi-stage water purification system [Henry Jin](#), my Chinese friend and colleague on the board of directors of PyongSu, convinced a Chinese pharmaceutical factory to buy the components on our behalf and re-sell it to us and help us install the system in the mid-2000s. (Image credit: Felix Abt)*



*Microbiological laboratories in pharma and food processing factories like this one we installed at Pyongyang (all components of which had to be imported) is mandatory GMP standard equipment in the West and elsewhere in the world. North Korean pharma and food processing factories are the only ones on the planet which were prohibited from having this from the mid-2000s. The people of North Korea were forced to accept substandard pharmaceuticals and food items since then. (Image credit: Felix Abt)*

Many industries such as the pharmaceutical industry and the garment industry are heavily import-dependent. North Korea's pharmaceutical industry is a formulation industry which means it processes imported active and other ingredients; the textile industry processes the cloth and other materials and semi-finished products which it is almost entirely importing too. North Korean industries and its agriculture also use imported machines and other equipment which need spare parts or replacement when worn out. Since the U.N. Security Council banned 90% of North Korea's exports (coal generating more than one third of the country's income, textile products, the second largest hard currency earner, iron, iron ore, lead, lead ore, and seafood) there won't be any more hard currency left to buy and pay for imports. As a consequence, entire industries, certainly the pharmaceutical industry and the garment industry (which has been exporting most of its production, which is now also prohibited from doing so) will come to a standstill. Even fishermen are not allowed to sell fish to Chinese customers any longer, artists are prohibited to sell their paintings abroad, sailors transporting fish or textiles are "punished" with a global [port ban](#) and tens of thousands of workers abroad who are forced to return to North Korea (many of which could make [savings](#) with which they bought a front store, opened a restaurant or started a small garment enterprise upon their return in the past) will lose their livelihood. Local sub-suppliers and service providers of the manufacturing



industry will suffer the same fate. North Korea's garment industry alone employs 200,000 workers. According to a [Reuters](#) report textile factories in North Korea were "increasingly run like private enterprises" which have allowed its workers "get a living wage." That belongs to the past now.



*This Hong Kong invested garment factory in North Korea, which has been exporting 100% of its production, is bound to go bankrupt as a consequence of the "sanctions" and its workers will lose their livelihood. (Image credit: Felix Abt)*

In short, the workers and their families of all North Korean industries that are disrupted or driven into bankruptcy by sanctions, could number millions.

*China's foreign trade with North Korea, under the U.N. and U.S. imposed sanctions regime:*

- Lead ore and concentrate imports down 84% year-on-year
- Iron ore imports down 98% since January 2011
- Coal imports down 71.6% year-on-year
- Gasoline and diesel exports by China National Petroleum Corp (CNPC) 0% since end of June 2017

*Source: [Reuters](#), October 24, 2017*

And since the country won't be able to buy food abroad any longer without hard currency, even more people will go hungry and many more will die. Indeed, 80% of North Korea comprises mountainous land and food shortages are frequently caused by floods or by reduced rainfall, like the one that occurred during the April-June planting season in 2017, causing a lack of water for irrigation and hampering sowing activities. In such a case, North Korea used to import food to make up for the gap and paid with hard currency earned from its exports.

As if this is not enough the U.N. Security Council's ban of a substantial amount of fuel adds another severe blow to the North Korean people. Let me illustrate it with an example of the past: The Soviet Union, North Korea's benefactor until it collapsed, used to supply North Korea with subsidized fuel. When it was no longer able to do so in the nineties, factories in North Korea came to a standstill, and farms could no longer distribute food across the country. It triggered North Korea's worst crisis ever, causing the starvation of hundreds of thousands.

History may well repeat itself: The United States wanted to impose a total oil embargo, which could have had the same horrific impact. China and Russia opposed this inhumane measure to avert another huge human catastrophe, but agreed to have oil supplies reduced by 30% and to ban almost 90% of petroleum products including diesel and kerosene. Yet again, the main sectors affected by the reduction of fuel supply is transportation, the agricultural sector and industrial sectors, including the production of cement and minerals. The average North Korean will also face more hardship in winter when little fuel will remain available to heat homes (most homes are not yet equipped with sun collectors) and offices. Since North Korea keeps strategic fuel reserves, the full impact on homes, offices and of course on factories and the agriculture will only be fully felt once depleted. Although the military are also a major consumer of fuel, it will be much less affected as national security will be given first priority at a time of very high tensions with an enemy who threatened it to "[totally destroy](#)" it. In a [report](#), the Nautilus Institute for Security and Sustainability explained, "The immediate primary impacts of responses to oil and oil products cut-offs will be on welfare; people will be forced to walk or not move at all, and to push buses instead of riding in them. There will be less light in households due to less kerosene, and less on-site power generation. There will be more deforestation to produce biomass and charcoal used in gasifiers to run trucks, leading to more erosion, floods, less food crops, and more famine. There will be less diesel fuel to pump water to irrigate rice paddies, to process crops into foodstuffs, to transport food and other household necessities, and to transport agricultural products to markets before they spoil".

## **The Rationale Behind Sanctions**

Though advocates of sanctions claim they target only the elite to coerce them into accepting the sanctioners' demands, it is in fact a collective punishment and a tactic to inspire regime change. They expect that hurting ordinary lives and immiserating a population will make it rise up against the regime on behalf of the sanctioners. But that may just be wishful thinking.

Reed Wood, from the University of North Carolina at Chapel Hill, argues that "sanctions exacerbate internal repression." His [research](#) suggests that "regimes increase oppression to ensure stability when decreased government resources threaten to embolden the opposition." Additionally, he explains, "sanctions have the potential to create a 'rally around the flag' effect if a targeted nation successfully shifts the blame towards the U.S."





Ian Bremmer

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More than anything else, US sanctions helped Castro stay in power for half a century.

Hope businessman soon-to-be President Trump understands this.

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The findings of another, larger [study](#) "utilizing time-series, cross-national data for the period 1981—2000" suggested that "economic sanctions worsen government respect for physical integrity rights, including freedom from disappearances, extra-judicial killings, torture, and political imprisonment." The study concludes that "economic coercion remains a counterproductive policy tool, even when sanctions are specifically imposed with the goal of improving human rights."

The history of sanctions shows that they hardly hurt the targeted elites but always ordinary people, who may even starve to death as a result. Saddam Hussein was not toppled by U.N. sanctions. The U.S. and the U.N. were not even able to prevent his sons from living a lavish life under the sanctions regime, while at the same time the sanctions caused the deaths of up to [560,000 innocent Iraqi children](#) according to estimates of the U.N. Food and Agricultural Organization.

*There is no international law prohibiting countries from testing intercontinental ballistic missile (ICBM). The U.S. routinely tests ICBM (last one in 2017). India and Pakistan, which are, like North Korea, not NPT signatory states, have tested ICBM without being punished, in 2017, the same year when North Korea was "punished" with the most strangulating sanctions for doing the same. The United Nations Security Council (UNSC) has no legal authority to decide who should and who should not have nuclear weapons. Also, North Korea is not in violation of the nuclear Non-Proliferation Treaty since it acted in conformity with Article 10 of the NPT as I have explained in my book NORTH KOREA BEHIND THE VEIL. The U.S. accuses North Korea of violating U.N. resolutions and then urges the U.N. Security Council to punish it by piling up more sanctions. But for the aforementioned reasons, a strong case could be made that **sanctions against North Korea are, in fact, not legal.***

A [paper](#) published by Stanford University many years before the strangulating sanctions amounting to a de facto economic embargo and to a serious human rights violation were imposed on North Korea demonstrated already that the then much milder "economic sanctions deteriorate the well-being of North Korea's marginalized population in the hinterland," not the elites in the capital.

*\*Felix Abt is the author of "A Capitalist in North Korea: My Seven Years in the Hermit Kingdom" and of "NORTH KOREA BEHIND THE VEIL" and a former investor of several legitimate North Korean companies which are now being driven into bankruptcy by U.N. "sanctions"*

The e-book [NORTH KOREA BEHIND THE VEIL](#) is a collection of an insider's short stories, articles and private, uncensored images. And this is what motivated author Felix Abt to publish it: "North Korea has been portrayed for decades as a monolithic gulag network filled with slaves and a hellhole by the mass media. The socio-economic changes North Korea has undergone over the last decade or more have been almost entirely unreported. Indeed, by the beginning of 2017, mass starvation had long ceased, while more and better-assorted markets emerged throughout the country (and yet you're still reading that 'North Korea's regime is starving its population'). Fewer people are punished for political crimes than in the past (but you still read that three generations of a family are sent to the gulag for the slightest political crime). The rising middle class has been transforming the rigid old political class system since marketization has enabled people from lower classes to build their own business, with some becoming rich and even more influential than many party and government officials from the privileged 'core class,' something prohibited two decades ago. Yet, you're still told by the media that a North Korean's fate is solely defined by the social 'caste' he belongs to and so on. Business people around the world have had no access to any news of positive progress, while any stories of 'normal' development are generally considered not to be newsworthy by the media. - Alas, the strangulating economic embargo which was imposed later in 2017, a de facto collective punishment, is bound to reverse this progress, causing enormous and unnecessary suffering."

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